



U.S. Department of Justice

*United States Attorney
Eastern District of Arkansas*

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TWO NORTH LITTLE ROCK CITY ALDERMEN ADDED TO THOMPSON INDICTMENT

Little Rock - Jane W. Duke, United States Attorney for the Eastern District of Arkansas; Thomas J. Browne, Special Agent in Charge of the Little Rock Division of the Federal Bureau of Investigation; and Joe Riehl, Acting Special Agent in Charge of the New Orleans Field Division of the Bureau of Alcohol, Tobacco, Firearms and Explosives, announced today the filing of felony charges against two North Little Rock city aldermen, Cary L. Gaines, age 63, and Samuel Gaylon Baggett, age 58. The superseding indictment in which both men are charged also includes additional firearms-related counts against George Wylie Thompson, the Cabot man who was indicted earlier this year for being a felon in possession of firearms and ammunition; conducting an illegal gambling business; committing marriage fraud and wire fraud; and illegally distributing drugs. As discussed in a prior press release dated November 16, 2009, Thompson was originally apprehended in Bangkok, Thailand and was returned to the Eastern District of Arkansas in the custody of the United States Marshals Service. On December 1, 2009, Thompson was arraigned on these and other charges before the Honorable Henry L. Jones, Jr. Thompson remains under a temporary order of detention pending a full detention hearing before Judge Jones. That detention hearing is currently scheduled for Thursday, December 3, 2009, at 2:00 p.m.

The superseding indictment, which identifies Gaines as an alderman for North Little Rock's Third Ward, now confirms Gaines as being the individual described in the original indictment as "Alderman A." According to the charges, Gaines participated in a kickback scheme involving contracts and projects for the City of North Little Rock. The superseding indictment also alleges that Gaines made a false statement to FBI agents regarding conversations he had with Thompson concerning the preparation of Thompson's tax returns.

"Public corruption strikes at the heart of good government," stated Special Agent in Charge Browne. "We will continue to commit our resources in the FBI to rooting out corruption

at all levels of government. We encourage anyone with knowledge of such abuse by public officials to contact our Public Corruption Hotline at 501-221-8200."

Duke concurred, "Citizens have a right to expect, and in fact, demand, honest services from their elected officials. Municipal bidding procedures are purposely designed to protect the public health, safety, and treasury in the awarding of government contracts. It is intolerable when public officials attempt to circumvent these procedures for the financial benefit of themselves and their friends."

The maximum statutory penalty for conspiring to commit wire fraud is not more than 20 years imprisonment. The maximum statutory penalties for making a false statement to federal investigating agents is not more than 5 years imprisonment. Each offense carries a potential fine of not more than \$250,000.

The charges against Baggett relate only to Baggett's role as a federally-licensed firearms dealer. The indictment alleges that Baggett, knowing that Thompson was a previously-convicted felon, engaged in several transactions with Thompson through which Thompson obtained firearms and ammunition. These same allegations also sustain several record keeping charges against Baggett. Under federal law, licensed firearms dealers are required to keep accurate records regarding the recipients of firearms. Finally, the superseding indictment also charges Baggett with making several false statements to FBI and ATF agents investigating these and other matters. The maximum statutory penalties for knowingly transferring a firearm to a felon and for aiding and abetting a felon in possessing a firearm are not more than 10 years imprisonment, not more than a \$250,000 fine, and not more than 3 years of supervised release. The maximum statutory penalties for false record keeping by a federally-licensed firearms dealer and for making a false statement are not more than 5 years imprisonment, not more than a \$250,000 fine, and not more than 1 year of supervised release.

Both Gaines and Baggett are tentatively scheduled to appear for plea and arraignment on Tuesday, December 15, 2009 at 10:00 a.m. before United States Magistrate Judge J. Thomas Ray.

This investigation was conducted by agents from the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Arkansas State Police. The case is being prosecuted by Assistant United States Attorney Laura G. Hoey.

An indictment contains only allegations. The defendants are presumed innocent unless and until proven guilty.

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